

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 NEAE-00 SSO-00

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AMEMBASSY DACCA PRIORITY

AMEMBASSY ISLAMABAD PRIORITY

AMEMBASSY KATHMANDU PRIORITY

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CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 9952

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINS, PINT, IN

SUBJECT: ANALYSIS OF EMERGENCY: FOURTH WEEK

REF: NEW DELHI 8933

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SUMMARY: FOUR WEEKS AFTER THE PROCLAMATION OF THE EMERGENCY, OUR ASSESSMENT MI MRS. GANDHI'S FUTURE MOVES REMAINS ESSENTIALLY AS WE REPORTED IN OUR LAST ANALYSIS (REFTEL). HER PRIMARY OBJECTIVE CONTINUES TO BE TO INSULATE HER POWER BASE FROM RENEWED THREATS. WE THINK SHE WILL CONTINUE THE EMERGENCY WELL INTO 1976 AND PROBABLY BEYOND, WITH LITTLE IF ANY RELAXATION ON POLITICAL OR PRESS FREEDOMS. FAILURE TO DELIVER ON ECONOMIC PROMISES AND A MOOD OF RESENTMENT OVER HER MOVES ENTERTAINED BY INDIANS FROM MANY WALKS OF LIFE COULD FUEL UNDERGROUND RESISTANCE OVER THE UPCOMING MONTHS, INCLUDING SPORADIC ATTEMPTS AT SABOTAGE AND EVEN ASSASSINATIONS. A NEGATIVE SUPREME COURT RULING WILL ADD TO HER PROBLEMS. PRESENTLY, HOWEVER, MOST INDIANS CONTINUE TO ADOPT A "WATCH AND SEE" ATTITUDE, OVERTLY ACKNOWLEDGING THAT MRS. GANDHI HAS SUCCEEDED AGAIN. WE ANTICIPATE THAT MRS. GANDHI WILL ATTEMPT TO ENCOURAGE THIS TYPE OF PASSIVITY BY CONTINUING TO OPERATE WITHIN THE ELASTIC LIMITS OF THE CONSTITUTION WHILE IGNORING DEMOCRATIC NORMS AND PROCEDURES IN PRACTICE. SHE WILL ATTEMPT TO INTRODUCE ECONOMIC REFORMS TO THE EXTENT THAT THIS CAN BE DONE WITHOUT ALIENATING THE POWERFUL FARM INTERESTS IN CONGRESS AND THE BIG BUSINESS COMMUNITY THAT HAS BANKROLLED HER ELECTIONS IN THE PAST. THIS WILL PROBABLY MEAN RELATIVELY LITTLE CONCRETE ACTION ON RURAL REFORMS. SHE WILL DEAL GINGERLY WITH THE "SPECIAL PROBLEMS OF TAMIL NADU AND GUJARAT, SLOWLY ASSERTING CONTROL AS OPPORTUNITY PERMITS, UNLESS FACED WITH OPEN DEFIANCE OR CONFRONTATION. SHE WILL THEN DO WHATEVER SHE DEEMS NECESSARY TO REESTABLISH HER CONTROL OF THE SITUATION. THIS COULD PRODUCE VIOLENCE AND SEVERE REPRESSION. HER SHORT TERM DECISIONS (E.G., CABINET RESHUFFLES, STATE ELECTION TIMINGS, ETC.) WILL BE AD HOC, DECIDED LARGELY BY HER AFTER CONSULTATION WITH AN INCREASINGLY SMALL CIRCLE OF ADVISORS. AT THIS JUNCTURE, THOUGH UNCERTAINTIES REMAIN, MOST INDICATIONS ARE THAT MRS. GANDHI'S SUPERB POLITICAL SKILLS AND TIMING HAVE TRIUMPHED ONCE AGAIN. IN THE PROCESS, SHE HAS EFFECTIVELY DE-ENERGIZED MOST OF THE POLITICAL INSTITUTIONS AND PROCESSES UNDERPINNING INDIAN DEMOCRACY AS SEEN BY THE INDIAN ELITE AND THE WESTERN WORLD. HOWEVER, AS WITH BEFORE THSO

NTRODUCTION OF CONSTITUTIONAL

DEMOCRACY IN INDIA, THE LIVES OF THE GREAT MAJORITY OF INDIANS WILL CONTINUE TO BE DETERMINED BY TRADITIONAL SOCIETAL FORCES NOT BY MRS. GANDHI'S RECENT CHANGES AT THE TOP OF THE INDIAN

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POWER STRUCTURE. END SUMMARY.

1. FOUR WEEKS AFTER THE PROCLAMATION OF THE EMERGENCY, OUR ASSESSMENT OF MRS. GANDHI'S FUTURE MOVES REMAINS ESSENTIALLY AS WE REPORTED IN OUR LAST ANALYSIS (REFTEL). HER PRIMARY OBJECTIVE IS TO INSULATE AND PROTECT HER SUPREME POSITION IN INDIAN POLCPICS FROM THE KIND OF THREATS THAT DEVELOPED IN 1974-75 OUT OF THE J.P. NARAYAN MOVEMENT, THE ALLAHABAD

COURT DECISION, THE GUJARAT ELECTIONS, THE SLOW TREND TOWARD OPPOSITION UNITY, AND NASCENT INTRA-CONGRESS REKMBLINGS AGAINST HER LEADERSHIP. SEVERAL OF HER ADVISORS ARE LOOKING INTO THE ADVISABILITY OF A PRESIDENTIAL SYSTEM. THE MONSOONS ARE SO FAR COOPERATING, AND COULD PROVE MUCH MORE BENEFICIAL IN PROVIDING SHORT TERM ECONOMIC ADVANTAGES (I.E., PRICES, FOOD SUPPLIES) THAN MRS. GANDHI'S TWENTY POINT ECONOMIC PROGRAM.

2. WE ANTICIPATE THAT THE "INTERNAL EMERGENCY WILL CONTINUE WELL INTO 1976 AND PROBABLY BEYOND, PROVIDING WIDE LEGAL LATITUDE TO THE PRIME MINISTER'S ACTIONS. THE BUREAUCRATIC, INTELLIGENCE AND SECURITY ASSETS OVER WHICH SHE EXERCISES DIRECT CONTROL, THE LIMPNESS OF INDIAN POLITICIANS AND THE PASSIVITY OF THE INDIAN MASSES WILL CONTINUE TO PROVIDE THE BASIC UNDERPINNING FOR HER CONTINUANCE IN POWER. PRESS AND POLITICAL RESTRICTIONS MAY BE VISUALLY RELAXED SOMEWHAT, BUT REAL SUBSTANTIVE RELAXATION IS LESS LIKELY. "ELECTIONS" MAY EVEN BE ALLOWED IN 1976 OR 1977. BUT ANY "RELIEF" WILL BE QUALIFIED IN PRACTICE TO THE EXTENT NECESSARY TO CHECK POTENTIAL CHALLENGES TO HER PERSONAL POSITION OR POSSIBLE UNREST. THE MILITARY WILL HAPPILY REMAIN OUT OF "POLITICS," CONTENT WITH THE KNOWLEDGE THAT CONSITUTIONAL NORMS ARE BEING FOLLOWED AND ITS SERVICES TO ENSURE LAW AND ORDER HAVE NOT BEEN ORDERED.

3. THE PROSPECTIVE LONG-TERM GROWTH OF OPPOSITION TO MRS. GANDHI'S ASSUMPTION OF POWER IS LESS PREDICTABLE. THOUGH THERE ARE SCATTERED EXCEPTIONS, THE LAW AND ORDER SITUATION AROUND THE COUNTRY REMAINS QUIET AND THE LARGE GOI SECURITY - INTELLIGENCE APPARATUS IS A GOOD GUARANTEE THAT IT WILL REMAIN SO. BUT THE LATENT, LONGER TERM PROBLEMS OUTLINED IN PARA 5 REFTTEL (MRS. GANDHI'S LOSS OF MORAL IMAGE, EXACERBATION OF REGIONAL TENSIONS, BUREAUCRATIC LETHARGY, INDIA'S INTRACTABLE ECONOMIC PROBLEMS) COULD PROVE TROUBLESOME IN THE LONG TERM. SOME INFLUEN-

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TIAL INDIANS WHOM WE MEET EXPRESS THEIR UNEASE AND UNCERTAINTY ABOUT THE FUTURE. THEY SAY THAT MRS. GANDHI'S EFFORTS TO INCREASE PRODUCTION AND IMPROVE ADMINISTRATIVE PERFORMANCE WILL TAKE AT LEAST A YEAR TO BEAR VISIBLE RESULTS TO THE CYNICAL MAN IN THE STREET WHO HAS BEEN FED ON PROMISES FOR TWENTY-SEVEN YEARS. THIS IS CERTAINLY TRUE WITH RESPECT TO THE GREAT BULK OF HER REFORM PACKAGE, PARTICULARLY ASSISTANCE TO THE RURAL POOR AND ANY REALLY WIDESPREAD IMPROVEMENT IN ADMINISTRATION.

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INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 NEAE-00 SSO-00

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TO SECSTATE WASHDC IMMEDIATE 144

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4. IF POLITICAL DISSIDENTS OF THE LEFT AND RIGHT ATTEMPT TO ORGANIZE UNDERGROUND OVER THE UPCOMING MONTHS, PROSPECTS FOR SPORADIC VIOLENCE, SABOTAGE AND POSSIBLY ASSASSINATIONS COULD INCREASE. THE MOOD OF SUPPRESSED RESENTMENT AGAINST MRS. GANDHI'S POWER MOVE ENTERTAINED BY MANY URBAN INDIANS MAY FEED SUCH
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VIOLENCE. THIS COULD BE AGGRAVATED BY ANY SERIOUS EVIDENCE THAT ECONOMIC IMPROVEMENT HAS FAILED TO MATERIALIZE AS A SUBSTITUTE FOR THE LOSS OF POLITICAL FREEDOMS. THE SUPREME COURT'S RULING ON MRS. GANDHI'S CASE EXPECTED IN THREE TO FOUR MONTHS WILL ALSO BE SIGNIFICANT. A NEGATIVE DECISION AND HER MOVES TO NULLIFY IT WILL FURTHER TARNISH HER IMAGE, AND POSSIBLY ENCOURAGE MORE MURMURS OF DISSATISFACTION INSIDE CONGRESS, ALTHOUGH WE HAVE LITTLE EXPECTATION THAT MANY CONGRESSMEN WILL ACTUALLY MOVE TO RESIST HER. THE CUMULATIVE EFFECT OF UNDERGROUND VIOLENCE - HOWEVER SPORADIC - AND EVEN MINOR RESISTANCE FROM WITHIN CONGRESS COULD SET OFF AN INTERACTING SPIRAL OF MORE AUTHORITARIANISM AND INCREASED CLANDESTINE RESISTANCE.

5. IT IS IMPORTANT TO NOTE, HOWEVER, THAT AT THIS STAGE MRS. GANDHI'S PROBLEMS ARE ONLY "POTENTIAL." NOBODY IS PREDICTING ANYTHING APOCALYPTIC. MOST INDIANS AND CONGRESS PARTY LEADERS CONTINUE TO ADOPT A "WATCH AND SEE" ATTITUDE, WHILE OVERTLY ACKNOWLEDGING THAT MRS. GANDHI HAS SUCCEEDED AGAIN. SHE WILL ATTEMPT TO REINFORCE THIS ATTITUDE BY PRESERVING IN FORM A CONSTITUTIONAL FACADE AND THE CONGRESS PARTY "CONSENSUS" TRADITIONS DEVELOPED DURING THE NEHRUVIAN ERA. PARLIAMENT HAS THUS BEEN CONVENED. THE SESSION WAS PRECEDED BY A ROUTINE MEETING OF THE CONGRESS PARLIAMENTARY PARTY. MRS. GANDHI PRESIDED, TAKING THE OCCASION TO JUSTIFY THE EMERGENCY AND TO URGE THAT PARTY MEMBERS ASSIST IN IMPLEMENTING THE GOI ECONOMIC-ADMINISTRATIVE REFORM PACKAGE. THE CONGRESS MAJORITY, SWOLLEN BY THE ARREST OF MANY OPPOSITION MEMBERS, HAS SANCTIONED THE EMERGENCY. MRS. GANDHI'S DAILY ROUTINE ALSO CONTINUES UNCHANGED. SHE STILL SEES SCORES OF POLITICIANS, BUSINESSMEN, STUDENTS, JOURNALISTS, FOREIGNERS, ETC., IN HER OFFICES DAILY. SHE SPEAKS TO CONFERENCES OF GOVERNMENT SERVANTS AND OTHER GROUPS FROM DIFFERENT WALKS OF INDIAN LIFE, EXHORTING THEM TO CONTRIBUTE TO THE COUNTRY'S PROGRESS AND UNITY, AND DEFENDING THE EMERGENCY AS NECESSARY TO CHECK A GROWING ANARCHY IN THE COUNTRY. WE BELIEVE THIS HAS A REAL IMPACT, DESPITE CYNICAL PRIVATE COMMENTS TO THE CONTRARY BY SOME INDIANS.

6. MRS. GANDHI WILL THUS CONTINUE TO STRIKE THE "BUSINESS AS USUAL" CHORD, AND STRESS THE PROVISIONAL NATURE OF THE EMERGENCY. IN PRACTICE, SHE WILL IGNORE DEMOCRATIC NORMS AND PROCEDURES

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WHILE OPERATING WITHIN THE FORMAL BUT HIGHLY ELASTIC PARAMETERS OF THE CONSTITUTION. SHE MAY ATTEMPT TO SOLIDIFY HER EXECUTIVE POWERS IN THE FORM OF A PRESIDENTIAL SYSTEM AT A LATER DATE. SHE WILL NOT HESITATE TO AMEND THE CONSTITUTION, AND PREVIOUS LAWS OR ISSUE NEW ORDINANCES WHENEVER SHE NEEDS NEW POWERS. SHE WILL ATTEMPT TO INCREASE PRODUCTION TO THE EXTENT THAT THIS CAN BE DONE WITHOUT ALIENATING THE POWERFUL FARM INTERESTS IN CONGRESS AND THE BIG BUSINESS COMMUNITY THAT HAS BANKROLLED HER

ELECTIONS IN THE PAST, AT LEAST FOR THE TIME BEING. THIS WILL PROBABLY MEAN RELATIVELY LITTLE CONCRETE ACTION ON RURAL REFORMS. IF OPPOSITION TO HER GROWS, SHE MAY CHOOSE TO DECLARE A "CLASS WAR" AGAINST THESE FORMER ALLIES AND TO USE HER CONSIDERABLE POWERS TO IMPLEMENT LONG POSTPONED REFORMS. WE SEE THIS AS A LAST DITCH MOVE. SHE AND THE GOI WILL DEAL GINGERLY WITH THE "SPECIAL" PROBLEMS OF TAMIL NADU AND GUJARAT, SLOWLY ASSERTING CONTROL AS OPPORTUNITY PERMITS, UNLESS FACED WITH OPEN DEFIANCE OR CONFRONTATION. SHE WILL THEN DO WHATEVER SHE DEEMS NECESSARY TO RE-ESTABLISH HER CONTROL OF THE SITUATION. THIS COULD PRODUCE VIOLENCE AND SEVERE REPRESSION. IN OTHER PARTS OF THE COUNTRY, RESISTANCE WILL BE DEALT WITH STERNLY AND SWIFTLY. WITHIN THIS CONTEXT, HER SHORT TERM DECISIONS, E.G., WHEN AND WHETHER TO HOLD ELECTIONS, HOW TO HANDLE A NEGATIVE SUPREME COURT DECISION, CABINET RESHUFFLES, WILL BE AD HOC, DECIDED LARGELY BY HER AFTER CONSULTATIONS WITH AN INCREASINGLY SMALL CIRCLE OF ADVISORS, MOSTLY LONG-TIME PERSONAL OR FAMILY ASSOCIATES, OR, AS IN THE CASE OF SANJAY GANDHI, FAMILY MEMBERS.

7. AT THIS JUNCTURE, THOUGH UNCERTAINTIES REMAIN, MOST INDICATIONS ARE THAT MRS. GANDHI'S UPERB POLITICAL SKILLS AND TIMING HAVE SERVED HER WELL ONCE MORE -- THIS TIME IN UNDERTAKING A BASIC ALTERATION OF THE POST-INDEPENDENCE POLITICAL FRAMEWORK IN INDIA. SHE HAS EFFECTIVELY DE-ENERGEIZED THE POLITICAL INSTITUTIONS AND PROCESSES THAT INDIA'S ELITE AND THE WESTERN WORLD HAVE LOOKED ON AS SYMBOLIZING INDIAN DEMOCRACY: INTER-PARTY POLITICS, A FREE PRESS, CIVIL LIBERTIES, AND NATIONAL ELECTIONS. BUT BENEATH, FOR THE OVERWHELMING MAJORITY OF INDIA'S 600 MILLION POPULATION, HER ASSUMPTION OF POWERS WILL PROBABLY HAVE VERY LITTLE, IF ANY, EFFECT. TRADITIONAL REPOSITORIES OF ECONOMIC INFLUENCE AT LOCAL LEVELS WILL RESIST OR QUALIFY PRESSURES FOR CHANGE. CASTE GROUPS WILL BE THE MAIN CHANNEL THROUGH WHICH POLITICAL INTERESTS AND LOCAL CONSENSUS ARE BROKERED. AS BEFORE, ESTABLISHED INTEREST

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GROUPS BASED ON LAND, CASTE, AND PERSONALITIES WILL LEAD POLITICAL FACTIONS IN LOCAL AND STATE ELECTIONS. THE THIN LOWER LEVELS OF THE BUREAUCRACY CHARGED WITH IMPLEMENTING CHANGE WILL REMAIN VULNERABLE TO LOCAL POWER CENTERS. THESE SOCIO-ECONOMIC "FACTS OF LIFE" IN INDIA'S 400,000 VILLAGES, 385 DISTRICTS, AND 21 STATES WERE LARGELY UNAFFECTED BY THE INTRODUCTION OF CONSTITUTIONAL DEMOCRACY IN INDIA AT INDEPENDENCE AND DURING ITS PRACTICE OVER THE PAST 27 YEARS. THEIR DOMINANT PLACE IN THE LIVES OF THE OVERWHELMING NUMBER OF INDIANS WILL CONTINUE, DESPITE MRS. GANDHI'S RECENT CHANGES AT THE TOP OF THE INDIAN POWER STRUCTURE.

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